

AMENDED IN SENATE AUGUST 2, 2010

AMENDED IN SENATE JUNE 28, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN SENATE APRIL 22, 2010

SENATE BILL

No. 1316

Introduced by Senator Romero

February 19, 2010

An act to ~~amend Section 24941 of, and to add Sections 17053.9, 18036.8, and 23622.9 to,~~ *add Sections 17053.9 and 23622.9 to, and to add and repeal Sections 18036.8 and 24941.5 of,* the Revenue and Taxation Code, relating to taxation, *and making an appropriation therefor,* to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1316, as amended, Romero. Income taxes: property exchanges: investment credits.

The Personal Income Tax Law and the Corporation Tax Law provide that no gain or loss is recognized on the exchange of property held for productive use in a trade or business or for investment, if that property is exchanged solely for property of a like kind that is to be held either for productive use in a trade or business or for investment.

This bill would, *for taxable years beginning on or after January 1, 2011, and before January 1, 2012,* exclude from that nonrecognition, any exchange ~~of in which~~ out-of-state real property ~~that is purchased received~~ in exchange for real property located in California.

The Personal Income Tax Law and *the* Corporation Tax Law authorize various credits against the taxes imposed by those laws. *Existing law*

creates the California Tax Credit Allocation Committee, which has specified duties in regard to low-income housing credits.

This bill would authorize a credit under both ~~those~~ laws, for taxable years beginning on or after January 1, 2011, and before January 1, 2012, in a specified amount for investments in low-income communities, as provided. This bill would impose specified duties on the ~~Treasurer~~ *California Tax Credit Allocation Committee* with regard to the application for, and allocation of, the credit. *The bill would require the committee to establish and impose reasonable fees upon entities that apply for the allocation of the credit and use the revenue to defray the cost of administering the program, as specified, thereby making an appropriation.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The granting of tax benefits for the purchase of real property
- 4 located beyond California's borders is of no direct benefit to the
- 5 people of the State of California, and does not advance any
- 6 legitimate local purpose.
- 7 (b) The revenue from disallowing these tax benefits, which are
- 8 currently obtained from the exchange of property for like kind
- 9 property, commonly known as a 1031 exchange, can instead be
- 10 used to foster greater economic development within California's
- 11 borders, and this development advances a legitimate local purpose.
- 12 (c) While this disallowance will remove a tax benefit in the
- 13 form of deferred capital gains taxes from investors who purchase
- 14 out-of-state properties, these funds amount to only 10 percent of
- 15 California's total 1031 exchanges. Furthermore, the lion's share
- 16 of the tax benefits for these investment purchases exists at the
- 17 federal, rather than the state level. For this reason, no substantial
- 18 decrease in out-of-state real estate investments is anticipated as a
- 19 result of this legislation.
- 20 (d) In the current economic climate, the acquisition of revenue
- 21 to stimulate in-state economic development cannot be achieved
- 22 by any nondiscriminatory alternative.

SEC. 2. Section 17053.9 is added to the Revenue and Taxation Code, to read:

17053.9. There is hereby created the California New Markets Tax Credit Program as provided in this section and Section 23622.9. The purpose of this program is to stimulate economic development, and hasten California's economic recovery, by granting tax credits for investment in California, including, but not limited to, retail businesses, real property, financial institutions, and schools. ~~The Treasurer~~ *California Tax Credit Allocation Committee* shall have responsibility for the administration of this program as provided in this section and Section 23622.9. The program shall be as follows:

(a) (1) For taxable years beginning on or after January 1, 2011, and before January 1, 2012, there shall be allowed to a taxpayer that holds a qualified equity investment on a credit allowance date of the investment which occurs during the taxable year, as a credit against the "net tax," as defined in Section 17039, an amount equal to the applicable percentage described in paragraph (2).

(2) For purposes of paragraph (1), the applicable percentage shall be 39 percent of the qualified equity investment.

(b) For purposes of this section:

(1) "Credit allowance date" means, with respect to any qualified equity investment, the date on which the investment is initially made.

(2) "Equity investment" means either of the following:

(A) Any stock, other than nonqualified preferred stock as defined in Section 351(g)(2) of the Internal Revenue Code, in an entity which is a corporation.

(B) Any capital interest in an entity which is a partnership.

(3) (A) "Low-income community" means a population census tract where any of the following applies:

(i) The tract has a poverty rate of at least 20 percent.

(ii) The tract is not located within a metropolitan area and the median family income does not exceed 80 percent of the statewide median family income.

(iii) The tract is located within a metropolitan area and the median family income does not exceed 80 percent of the greater statewide median family income or the metropolitan area median family income.

(iv) The tract is located within a high migration rural county and the median income does not exceed 85 percent of the statewide median family income. For purposes of this clause, “high migration rural county” means a county which, during the 20-year period ending with the year in which the most recent census was conducted, has a net out migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of that period.

(B) Where a community is in a location that is not tracted for population census tracts, the equivalent county divisions shall be used for purposes of determining poverty rates and median family income.

(C) Where a community is in a population census tract with a population of less than 2,000, the community shall be treated as a low-income community if the tract is within an empowerment zone designated under Section 1391 of the Internal Revenue Code and is contiguous to one or more low-income communities, as determined under this paragraph.

(4) (A) “Qualified active low-income community business” means, with respect to any taxable year, a corporation, including a nonprofit corporation, or partnership that, for that taxable year, meets all of the following conditions:

(i) Derives at least 50 percent of its total gross income from the active conduct of a qualified business in a low-income community *in California*.

(ii) A substantial portion of the use of the tangible property of the entity, whether owned or leased, is within a low-income community *in California*. “Substantial portion” shall be defined as 40 percent or more of the tangible property of the entity.

(iii) Less than 5 percent of the average of the aggregate unadjusted base of the property of the entity is attributable to collectibles, as defined in Section 408(m)(2) of the Internal Revenue Code.

(iv) Less than 5 percent of the average of the aggregate unadjusted base of the property of the entity is attributable to nonqualified financial property, as defined in Section 1397C(e) of the Internal Revenue Code.

(B) A “qualified active low-income community business” shall include a business carried on by an individual as a proprietor if that business meets the requirements of subparagraph (A) were it

1 incorporated or a trade or business which would qualify if that
2 trade or business were separately incorporated.

3 (5) “Qualified business” has the same meaning as that in Section
4 1397C(d) of the Internal Revenue Code except that:

5 (A) In lieu of applying subparagraph (B) of paragraph (2), the
6 rental to others of real property located in any low-income
7 community shall be treated as a qualified business if there are
8 substantial improvements located on that real property.

9 (B) Paragraph (3) of that section shall not apply.

10 (6) (A) “Qualified community development entity” means a
11 domestic corporation or partnership that meets all of the following
12 conditions:

13 (i) Has a primary mission of serving, or providing investment
14 capital for, low-income communities or low-income persons.

15 (ii) Maintains accountability to residents of low-income
16 communities through their representation on any governing board
17 of the entity or on any advisory board to the entity.

18 (iii) Is certified by the ~~Treasurer~~ *California Tax Credit*
19 *Allocation Committee* for purposes of this section as being a
20 qualified community development entity.

21 (B) A domestic corporation or partnership shall be deemed a
22 “qualified community development entity” if it ~~is either a~~
23 ~~specialized small business investment company, as defined in~~
24 ~~Section 1044(c)(3) of the Internal Revenue Code, or a community~~
25 ~~development financial institution, as defined in Section 4702 of~~
26 ~~Title 12 of the United States Code.~~ *has entered into an allocation*
27 *agreement with the Community Development Financial Institutions*
28 *Fund of the United States Department of the Treasury with respect*
29 *to credits authorized by Section 45D of the Internal Revenue Code*
30 *of 1986, as amended, and if the allocation agreement includes the*
31 *state within its service area.*

32 (7) (A) “Qualified equity investment” means any equity
33 investment in a qualified community development entity if all of
34 the following conditions are met:

35 (i) The investment is acquired by the taxpayer at its original
36 issue, directly or through an underwriter, solely in exchange for
37 cash.

38 (ii) Substantially all of the cash is used by the qualified
39 community development entity to make low-income community
40 investments. This requirement shall be deemed met if at least 85

1 percent of the aggregate gross assets of the qualified community
2 development entity are invested in qualified low-income
3 community investments *in California*.

4 (iii) The investment is designated for purposes of this section
5 by the qualified community development entity.

6 (B) “Qualified equity investment” does not include any equity
7 investment issued by a qualified community development entity
8 more than one year after the date that the entity receives an
9 allocation under subdivision (d).

10 (C) A “qualified equity investment” shall include any equity
11 investment which would, notwithstanding clause (i) of
12 subparagraph (A), be a qualified equity investment in the hands
13 of the taxpayer if the investment was a qualified equity investment
14 in the hands of a prior holder.

15 (D) Section 1202(c)(3) of the Internal Revenue Code, relating
16 to purchases by a corporation of its own stock, shall apply.

17 (8) “Qualified low-income community investment” means any
18 of the following:

19 (A) Any capital or equity investment in, or loan to, a qualified
20 low-income community business.

21 (B) Any capital or equity investment in, or loan to, a real estate
22 project in a low-income community.

23 (C) The purchase from another qualified community
24 development entity of any loan made by that entity which is a
25 qualified low-income community investment.

26 (D) Financial counseling and other services in support of
27 business activities to businesses located in, and residents of,
28 low-income communities.

29 (E) Any equity investment in, or loan to, a qualified community
30 development entity.

31 ~~(e) The Treasurer shall prescribe regulations, guidelines, or~~
32 ~~procedures necessary or appropriate to carry out the purposes of~~
33 ~~this section. The regulations shall include, but are not limited to,~~
34 ~~criteria by which additional populations may be treated as~~
35 ~~low-income communities, the criteria by which entities are~~
36 ~~qualified active low-income community businesses with respect~~
37 ~~to low-income communities, and rules to avoid abuse of the~~
38 ~~purposes of the section.~~

39 *(c) The California Tax Credit Allocation Committee shall adopt*
40 *guidelines necessary or appropriate to carry out the purposes of*

this section. The adoption of the guidelines shall not be subject to the rulemaking provisions of the Administrative Procedure Act of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The committee shall establish and impose reasonable fees upon entities that apply for the allocation pursuant to subdivision (d) and use the revenue to defray the cost of administering the program. The committee shall establish the fees in a manner that ensures that (1) the total amount collected equals the amount reasonably necessary to defray the commission's costs in performing its administrative duties under this section, and (2) the amount paid by each entity reasonably corresponds with the value of the services provided to the entity.

(d) (1) The aggregate amount of credit that may be allowed in any calendar year pursuant to this section and Section 23622.9 shall be an amount equal to the aggregate revenue increase attributable in that same calendar year to Sections 18036.8 and 24941, as amended by the act adding this section, as estimated by the Franchise Tax Board, so as to achieve a revenue neutral effect.

(2) The aggregate amount of credit specified under paragraph (1) shall be allocated by the ~~Treasurer~~ *California Tax Credit Allocation Committee* among entities that apply for the allocation. ~~The Treasurer~~ *California Tax Credit Allocation Committee* shall give priority to applications that either are submitted by an entity that has a record of successfully providing capital or technical assistance to disadvantaged businesses or communities or entities that intend to make qualified low-income community investments in one or more businesses in which persons unrelated to the entity hold the majority equity interest.

(e) Any credits used under subdivision (a) for a qualified equity investment where a recapture event occurs at any time before the close of the seventh taxable year after the qualified equity investment shall be included in the income in the taxable year in which the recapture event occurred. For purposes of this subdivision, a "recapture event" shall include any of the following ~~with respect to an~~ *that occur any time before the close of the seventh taxable year after the qualified equity investment in a* qualified community development entity:

(1) The qualified community development entity ceases to be a qualified community development entity.

(2) The proceeds of the investment cease to be used as required under clause (ii) of subparagraph (A) of paragraph (7) of subdivision (b).

(3) The investment is redeemed by a qualified community development entity.

(f) An exception to the provisions of clause (ii) of subparagraph (A) of paragraph (7) of subdivision (b) shall exist wherein an investment shall be considered held by a community development entity even if the investment has been sold or repaid, provided that the community development entity reinvests an amount equal to the capital returned to or recovered by the community development entity from the original investment, exclusive of any profits realized, in another qualified low-income community investment within 12 months of the receipt of that capital. A community development entity shall not be required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment shall be considered held by the community development entity through the seventh anniversary of the qualified equity investment's issuance.

SEC. 3. Section 18036.8 is added to the Revenue and Taxation Code, to read:

18036.8. (a) For taxable years beginning on or after January 1, 2011, and before January 1, 2012, the provisions of Section 1031 of the Internal Revenue Code, relating to the exchange of property held for productive use or investment, shall not apply to out-of-state real property that is received in exchange for real property located in California.

(b) This section shall remain in effect only until December 1, 2012, and as of that date is repealed.

SEC. 4. Section 23622.9 is added to the Revenue and Taxation Code, to read:

23622.9. There is hereby created the California New Markets Tax Credit Program as provided in this section and Section 17053.9. The purpose of this program is to stimulate economic development, and hasten California's economic recovery, by granting tax credits for investment in California, including, but not limited to, retail businesses, real property, financial institutions,

1 and schools. The ~~Treasurer~~ *California Tax Credit Allocation*
2 *Committee* shall have responsibility for the administration of this
3 program as provided in this section and Section 17053.9. The
4 program shall be as follows:

5 (a) (1) For taxable years beginning on or after January 1, 2011,
6 and before January 1, 2012, there shall be allowed to a taxpayer
7 that holds a qualified equity investment on a credit allowance date
8 of the investment which occurs during the taxable year, as a credit
9 against the “tax,” as defined in Section 23036, an amount equal
10 to the applicable percentage described in paragraph (2).

11 (2) For purposes of paragraph (1), the applicable percentage
12 shall be 39 percent of the qualified equity investment.

13 (b) For purposes of this section:

14 (1) “Credit allowance date” means, with respect to any qualified
15 equity investment, the date on which the investment is initially
16 made.

17 (2) “Equity investment” means either of the following:

18 (A) Any stock, other than nonqualified preferred stock as defined
19 in Section 351(g)(2) of the Internal Revenue Code, in an entity
20 which is a corporation.

21 (B) Any capital interest in an entity which is a partnership.

22 (3) (A) “Low-income community” means a population census
23 tract where any of the following applies:

24 (i) The tract has a poverty rate of at least 20 percent.

25 (ii) The tract is not located within a metropolitan area and the
26 median family income does not exceed 80 percent of the statewide
27 median family income.

28 (iii) The tract is located within a metropolitan area and the
29 median family income does not exceed 80 percent of the greater
30 statewide median family income or the metropolitan area median
31 family income.

32 (iv) The tract is located within a high migration rural county
33 and the median income does not exceed 85 percent of the statewide
34 median family income. For purposes of this clause, “high migration
35 rural county” means a county which, during the 20-year period
36 ending with the year in which the most recent census was
37 conducted, has a net out migration of inhabitants from the county
38 of at least 10 percent of the population of the county at the
39 beginning of that period.

1 (B) Where a community is in a location that is not tracted for
2 population census tracts, the equivalent county divisions shall be
3 used for purposes of determining poverty rates and median family
4 income.

5 (C) Where a community is in a population census tract with a
6 population of less than 2,000, the community shall be treated as a
7 low-income community if the tract is within an empowerment
8 zone designated under Section 1391 of the Internal Revenue Code
9 and is contiguous to one or more low-income communities, as
10 determined under this paragraph.

11 (4) (A) “Qualified active low-income community business”
12 means, with respect to any taxable year, a corporation, including
13 a nonprofit corporation, or partnership that, for that taxable year,
14 meets all of the following conditions:

15 (i) Derives at least 50 percent of its total gross income from the
16 active conduct of a qualified business in a low-income community
17 *in California*.

18 (ii) A substantial portion of the use of the tangible property of
19 the entity, whether owned or leased, is within a low-income
20 community *in California*. “Substantial portion” shall be defined
21 as 40 percent or more of the tangible property of the entity.

22 (iii) Less than 5 percent of the average of the aggregate
23 unadjusted base of the property of the entity is attributable to
24 collectibles, as defined in Section 408(m)(2) of the Internal
25 Revenue Code.

26 (iv) Less than 5 percent of the average of the aggregate
27 unadjusted base of the property of the entity is attributable to
28 nonqualified financial property, as defined in Section 1397C(e) of
29 the Internal Revenue Code.

30 (B) A “qualified active low-income community business” shall
31 include a business carried on by an individual as a proprietor if
32 that business meets the requirements of subparagraph (A) were it
33 incorporated or a trade or business which would qualify if that
34 trade or business were separately incorporated.

35 (5) “Qualified business” has the same meaning as that in Section
36 1397C(d) of the Internal Revenue Code except that:

37 (A) In lieu of applying subparagraph (B) of paragraph (2), the
38 rental to others of real property located in any low-income
39 community shall be treated as a qualified business if there are
40 substantial improvements located on that real property.

1 (B) Paragraph (3) of that section shall not apply.

2 (6) (A) “Qualified community development entity” means a
3 domestic corporation or partnership that meets all of the following
4 conditions:

5 (i) Has a primary mission of serving, or providing investment
6 capital for, low-income communities or low-income persons.

7 (ii) Maintains accountability to residents of low-income
8 communities through their representation on any governing board
9 of the entity or on any advisory board to the entity.

10 (iii) Is certified by the ~~Treasurer~~ *California Tax Credit*
11 *Allocation Committee* for purposes of this section as being a
12 qualified community development entity.

13 (B) A domestic corporation or partnership shall be deemed a
14 “qualified community development entity” if it ~~is either a~~
15 ~~specialized small business investment company, as defined in~~
16 ~~Section 1044(c)(3) of the Internal Revenue Code, or a community~~
17 ~~development financial institution, as defined in Section 4702 of~~
18 ~~Title 12 of the United States Code.~~ *has entered into an allocation*
19 *agreement with the Community Development Financial Institutions*
20 *Fund of the United States Department of the Treasury with respect*
21 *to credits authorized by Section 45D of the Internal Revenue Code*
22 *of 1986, as amended, and if the allocation agreement includes the*
23 *state within its service area.*

24 (7) (A) “Qualified equity investment” means any equity
25 investment in a qualified community development entity if all of
26 the following conditions are met:

27 (i) The investment is acquired by the taxpayer at its original
28 issue, directly or through an underwriter, solely in exchange for
29 cash.

30 (ii) Substantially all of the cash is used by the qualified
31 community development entity to make low-income community
32 investments. This requirement shall be deemed met if at least 85
33 percent of the aggregate gross assets of the qualified community
34 development entity are invested in qualified low-income
35 community investments *in California.*

36 (iii) The investment is designated for purposes of this section
37 by the qualified community development entity.

38 (B) “Qualified equity investment” does not include any equity
39 investment issued by a qualified community development entity

1 more than one year after the date that the entity receives an
2 allocation under subdivision (d).

3 (C) A “qualified equity investment” shall include any equity
4 investment which would, notwithstanding clause (i) of
5 subparagraph (A), be a qualified equity investment in the hands
6 of the taxpayer if the investment was a qualified equity investment
7 in the hands of a prior holder.

8 (D) Section 1202(c)(3) of the Internal Revenue Code, relating
9 to purchases by a corporation of its own stock, shall apply.

10 (8) “Qualified low-income community investment” means any
11 of the following:

12 (A) Any capital or equity investment in, or loan to, a qualified
13 low-income community business.

14 (B) Any capital or equity investment in, or loan to, a real estate
15 project in a low-income community.

16 (C) The purchase from another qualified community
17 development entity of any loan made by that entity which is a
18 qualified low-income community investment.

19 (D) Financial counseling and other services in support of
20 business activities to businesses located in, and residents of,
21 low-income communities.

22 (E) Any equity investment in, or loan to, a qualified community
23 development entity.

24 ~~(e) The Treasurer shall prescribe regulations, guidelines, or~~
25 ~~procedures necessary or appropriate to carry out the purposes of~~
26 ~~this section. The regulations shall include, but are not limited to,~~
27 ~~criteria by which additional populations may be treated as~~
28 ~~low-income communities, the criteria by which entities are~~
29 ~~qualified active low-income community businesses with respect~~
30 ~~to low-income communities, and rules to avoid abuse of the~~
31 ~~purposes of the section.~~

32 *(c) The California Tax Credit Allocation Committee shall adopt*
33 *guidelines necessary or appropriate to carry out the purposes of*
34 *this section. The adoption of the guidelines shall not be subject to*
35 *the rulemaking provisions of the Administrative Procedure Act of*
36 *Chapter 3.5 (commencing with Section 11340) of Part 1 of Division*
37 *3 of Title 2 of the Government Code. The committee shall establish*
38 *and impose reasonable fees upon entities that apply for the*
39 *allocation pursuant to subdivision (d) and use the revenue to defray*
40 *the cost of administering the program. The committee shall*

establish the fees in a manner that ensures that (1) the total amount collected equals the amount reasonably necessary to defray the commission's costs in performing its administrative duties under this section, and (2) the amount paid by each entity reasonably corresponds with the value of the services provided to the entity.

(d) (1) The aggregate amount of credit that may be allowed in any calendar year pursuant to this section and Section 17053.9 shall be an amount equal to the aggregate revenue increase attributable in that same calendar year to Sections 18036.8 and 24941, as amended by the act adding this section, as estimated by the Franchise Tax Board, so as to achieve a revenue neutral effect.

(2) The aggregate amount of credit specified under paragraph (1) shall be allocated by the ~~Treasurer~~ *California Tax Credit Allocation Committee* among entities that apply for the allocation. ~~The Treasurer~~ *California Tax Credit Allocation Committee* shall give priority to applications that either are submitted by an entity that has a record of successfully providing capital or technical assistance to disadvantaged businesses or communities or entities that intend to make qualified low-income community investments in one or more businesses in which persons unrelated to the entity hold the majority equity interest.

(e) Any credits used under subdivision (a) for a qualified equity investment where a recapture event occurs at any time before the close of the seventh taxable year after the qualified equity investment shall be included in the income in the taxable year in which the recapture event occurred. For purposes of this subdivision, a "recapture event" shall include any of the following ~~with respect to an~~ *that occur any time before the close of the seventh taxable year after the qualified equity investment in a* qualified community development entity:

(1) The qualified community development entity ceases to be a qualified community development entity.

(2) The proceeds of the investment cease to be used as required under clause (ii) of subparagraph (A) of paragraph (7) of subdivision (b).

(3) The investment is redeemed by a qualified community development entity.

(f) *An exception to the provisions of clause (ii) of subparagraph (A) of paragraph (7) of subdivision (b) shall exist wherein an investment shall be considered held by a community development*

1 *entity even if the investment has been sold or repaid, provided that*
2 *the community development entity reinvests an amount equal to*
3 *the capital returned to or recovered by the community development*
4 *entity from the original investment, exclusive of any profits*
5 *realized, in another qualified low-income community investment*
6 *within 12 months of the receipt of that capital. A community*
7 *development entity shall not be required to reinvest capital*
8 *returned from qualified low-income community investments after*
9 *the sixth anniversary of the issuance of the qualified equity*
10 *investment, the proceeds of which were used to make the qualified*
11 *low-income community investment, and the qualified low-income*
12 *community investment shall be considered held by the community*
13 *development entity through the seventh anniversary of the qualified*
14 *equity investment's issuance.*

15 ~~SEC. 5. Section 24941 of the Revenue and Taxation Code is~~
16 ~~amended to read:~~

17 ~~24941. (a) Section 1031 of the Internal Revenue Code, relating~~
18 ~~to exchange of property held for productive use or investment,~~
19 ~~shall apply, except as otherwise provided.~~

20 ~~(b)~~
21 *SEC. 5. Section 24941.5 is added to the Revenue and Taxation*
22 *Code, to read:*

23 *24941.5. (a) For taxable years beginning on or after January*
24 *1, 2011, and before January 1, 2012, the provisions of Section*
25 *1031 of the Internal Revenue Code, relating to the exchange of*
26 *property held for productive use or investment, shall not apply to*
27 *out-of-state real property that is received in exchange for real*
28 *property located in California.*

29 *(b) This section shall remain in effect only until December 1,*
30 *2012, and as of that date is repealed.*

31 *SEC. 6. This act provides for a tax levy within the meaning of*
32 *Article IV of the Constitution and shall go into immediate effect.*

34
35 **CORRECTIONS:**

36 **Text—Page 13.**
37